



**MICHIGAN  
ASSOCIATION  
OF COUNTIES**

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Timothy K. McGuire, Executive Director

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Michigan Senate  
State Capitol  
Lansing, MI 48909

Dear Senator:

SB 7, sponsored by Senator Jansen, would mandate that local units of government pay no more than 80% of aggregated employee healthcare benefit premiums. **MAC opposes SB 7 as written and urges you to amend it to allow a local unit of government to decide with a simple majority vote of its board whether to remain in the program.**

MAC believes that there will be unintended consequences connected with this bill. First, counties negotiate healthcare, wages, and retirement as three related items. Setting limits on the healthcare leg of this stool, will only increase demand for higher wages and increased retirement benefits, which tend to have legacy costs in retirement that must be pre-funded. Rising retirement costs will increase county costs in the long-term. Second, this bill opens local benefits up to state mandate for the first time, but does not require the state to fund the results of the mandate. Opening this door could lead to state political gamesmanship at the local level. The legislature, once given the opportunity to mandate local benefit payment, could then change the percentages at will (either up or down), without having to be fiscally responsible for the results, or the negotiations that ensue on wages or retirement benefits.

To combat these potential negative consequences, MAC recommends allowing local units of government to make the decision with a simple majority. Currently, the bill allows local units to maintain independence only with a super-majority of 2/3 vote of the governing board, which would require 4 members of a 5 member county board in small counties, a de facto 4/5 majority requirement. **A simple majority allows counties the option of using a tool that could be helpful in controlling costs, but would allow that county to get out if the state begins to mandate further requirements that are unreasonable or costly.** Further, such an amendment would take control from the hands of the minority and place it, properly, in the hands of the majority of those elected by their peers.

Sincerely,

BENJAMIN E. BODKIN, Director of Legislative Affairs  
Michigan Association of Counties